The Michigan Earned Income Tax Credit (EITC) is a tax credit for working families who have low earnings. Families with children receive a larger credit. Michigan’s current EITC—at just 6% of the federal credit—provides a huge help to working families struggling to make ends meet by boosting after-tax incomes. The EITC pulls Michigan families above the poverty line and delivers long-lasting benefits to children in these families. In tax year 2019, about 738,380 families statewide received an average credit of $150, putting more than $110 million back into the local economy. But the EITC should do more. Fully restoring Michigan’s EITC to 20% of the federal credit—to its 2011 level—would mean an average credit of $499 for these families.

COUNTY SNAPSHOT

In 2019, about 16,210 families in Washtenaw County (9.9%) benefited from the Michigan EITC.

Local Impact

Current
6% of federal EITC

If Restored
20% of federal EITC

Average boost to a working family’s income
$127
$424

Amount returned to local economy
$2.06 M
$6.88 M

HOW IT WORKS

The EITC promotes work, reduces poverty and helps families take steps toward self-sufficiency.

The EITC helps small businesses and boosts local economies by helping workers with low incomes pay for things that help keep them working, such as child care and transportation.

Children of EITC recipients are healthier, do better and go further in school, and earn more as adults.

Estimates using Michigan Department of Treasury data.